VSC BRIEFING.

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- the series of raids and counter-raids on the Egypt-Israel frontier during the past two weeks have now come to an end, and both parties appear willing to maintain the "cease-fire" which each has promised the UN truce authorities to enforce along the Gaza strip. The area is thus likely to remain relatively calm in the immediate future. However, so long as basic border problems remain unsolved, occasional flare-ups can be expected.
 - A. A new element in the situation was Egypt's unusually aggressive attitude--reflected both in threats of "terror" by Egyptian radio broadcasts and in audacious military operations.
 - 1. Although most Egyptian "commando" groups, who were poised for a coordinated series of raids on 25 August, received

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time--struck deep into Israeli territory. The Israeli retaliation, the blowing-up of an Egyptian headquarters at Khan Yunis in the Gaza strip, was the high point in the fortnight's series of raids and reprisals. 4

- It seems possible that Egypt's belligerent posture may have been В. connected with that Government's internal problems. The Gaza fighting certainly distracted the Egyptian public from other developments, including Egypt's diminishing influence in the Sudan and the ousting of Major Salah Salim, Minister of National Guidance (propaganda) and also Minister for Sudan Affairs.
- Major Salim was one of the most influential members of the 11-man Revolutionary Command Council, which has ruled Egypt since 1952.

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The immediate cause for his dismissal, after a stormy Council meeting Approved For Release 2003/03/04: CIA-RDP79R00890A000600040004-3 on 26 August, was the charge of failure to win the Sudan to union with Egypt. However, for the past year, Salim has been a general source of trouble to Prime Minister Nasr.

- A. He has led a faction opposing Nasr's plans to set up a new Egyptian parliament next year.
- B. He has been one of the most emotional spokesmen for an anti-West, pro-neutral position within the Egyptian government.
- C. Since Nasr's continued authority, in the last analysis, depends upon the support of the Egyptian Army, a "tough" attitude towards Israel may well have been the price Nasr felt he had to pay to avoid Army opposition to Salim's ouster.

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Although the departure of anti-Western Salim from Government ranks Approved For Release 2003/03/04: CIA-RDP79R00890A000600040004-3 should bring some improvement in US-Egyptian relations. It is unlikely that the Nasr regime will abandon the potentially lucrative game of playing off the West against the Orbit. One example is Egypt's flirtation with the USSR over Soviet offers of economic and military aid (reportedly including jet fighters and bombers, as well as tanks).

A. Other examples of this game have included Nasr's 11 August acceptance of an invitation to visit the USSR next spring and the 22 August announcement of a three-year trade agreement with Communist China (to include, among other deals, an annual swap of Chinese steel for Egyptian cotton valued at \$15 million).

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Approved to Egypt alone. We know of Soviet or Satellite trade and

Arabia, and Syria. I hope to present a detailed report on this subject in the near future. For the present, in summary:

- B. The USSR is pressuring Saudi Arabia to establish diplomatic relations, and coupling their pressure with an offer of Soviet arms to King Saud.
- C. Finally, we have intimations of Soviet approaches to Syria with offers of military equipment and diplomatic support.

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